

MT LEGISLATIVE HISTORY

Chapter 688 1985

Bill H (S) 250

Original bill & hist. ☒ C

H. Committee on Business & Labor

S. Committee on Business & Industry

Hearing Date(s) MAR 28 ☒ C

Hearing Date(s) FEB 8 ☒ C

MAR 21 ☒ C

FEB 13 ☒ C

MAR 29 ☒ C

 C

 C

 C

Date Out MAR 29 ☒ C

FEB 13 ☒ C

Did this bill originate in an interim committee? Yes No

Committee

Report

SENATE BILL NO. 250

INTRODUCED BY MAZUREK, H. HAMMOND, HARP, HARPER, FULLER,
KOEHNKE, MANNING, KEATING, STORY

BY REQUEST OF THE BOARD OF REALTY REGULATION

IN THE SENATE

January 26, 1985	Introduced and referred to Committee on Business and Industry.
January 31, 1985	Fiscal Note requested.
February 6, 1985	Fiscal Note returned.
February 13, 1985	Committee recommend bill do not pass. Report adopted. Ayes, 35; Noes, 14.
February 14, 1985	On motion, Senate reconsider its action taken on adverse committee report on SB 250 and placed on second reading. Motion adopted.
February 15, 1985	Bill printed and placed on members' desks.
February 16, 1985	Motion pass consideration.
February 18, 1985	Second reading, do pass as amended.
February 19, 1985	Correctly engrossed.
February 20, 1985	Third reading, passed. Ayes, 37; Noes, 12.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on Business and Labor.
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March 29, 1985

Committee recommend bill be
concurrent in as amended. Report
adopted.

April 3, 1985

Second reading, concurrent in as
amended.

April 5, 1985

Third reading, concurrent in.

Returned to Senate.

IN THE SENATE

April 15, 1985

Received from House.

April 16, 1985

Sent to enrolling.

April 22, 1985

Correctly enrolled.

Signed by President.

April 23, 1985

Signed by Speaker.

April 24, 1985

Delivered to Governor.

Returned from Governor with
recommended amendments.

Second reading, Governor's
amendments concurrent in.

April 25, 1985

Third reading, Governor's
amendments concurrent in.

Governor's amendments
transmitted to House.

IN THE HOUSE

April 25, 1985

Received from Senate.

Second reading, Governor's
amendments concurrent in.

April 25, 1985

Third reading, Governor's
amendments concurred in.

Returned to Senate.

IN THE SENATE

April 25, 1985

Received from House.

Sent to enrolling.

Reported correctly enrolled.

1 *Senate* BILL NO. *250*
 2 INTRODUCED BY *Margaret Hollenbeck*
 3 BY REQUEST OF THE BOARD OF REALTY REGULATION
 4 *Julian Huber Richard Manning*
 5 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A REAL ESTATE
 6 RECOVERY ACCOUNT FOR PAYMENT OF UNSATISFIED JUDGMENTS
 7 AGAINST REAL ESTATE SALESMEN AND BROKERS; PROVIDING FOR THE
 8 MAKING, ADJUDICATION, AND PAYMENT OF CLAIMS AGAINST THE
 9 ACCOUNT; PROVIDING FOR SUBROGATION OF RIGHTS OF THE BOARD OF
 10 REALTY REGULATION TO JUDGMENTS PAID FROM THE ACCOUNT;
 11 COORDINATING DISCIPLINARY PROVISIONS WITH OTHER POWERS OF
 12 THE BOARD; AMENDING SECTIONS 37-51-102 AND 37-51-311, MCA;
 13 REPEALING SECTION 37-51-304, MCA; AND PROVIDING AN EFFECTIVE
 14 DATE."

15
 16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

17 Section 1. Section 37-51-102, MCA, is amended to read:
 18 "37-51-102. Definitions. Unless the context requires
 19 otherwise, in this chapter the following definitions apply:

20 (1) "Account" means the real estate recovery account
 21 established in [section 3].

22 (2) "Board" means the board of realty regulation
 23 provided for in 2-15-1867.

24 (3) "Broker" includes an individual who for another
 25 or for a fee, commission, or other valuable consideration or

1 who with the intent or expectation of receiving the same
 2 negotiates or attempts to negotiate the listing, sale,
 3 purchase, rental, exchange, or lease of real estate or of
 4 the improvements thereon or collects rents or attempts to
 5 collect rents or advertises or holds himself out as engaged
 6 in any of the foregoing activities. The term "broker" also
 7 includes an individual employed by or on behalf of the owner
 8 or lessor of real estate to conduct the sale, leasing,
 9 subleasing, or other disposition thereof at a salary or for
 10 a fee, commission, or any other consideration. The term
 11 "broker" also includes an individual who engages in the
 12 business of charging an advance fee or contracting for
 13 collection of a fee in connection with a contract by which
 14 he undertakes primarily to promote the sale, lease, or other
 15 disposition of real estate in this state through its listing
 16 in a publication issued primarily for this purpose or for
 17 referral of information concerning real estate to brokers,
 18 or both, and any person who aids, attempts, or offers to
 19 aid, for a fee, any person in locating or obtaining any real
 20 estate for purchase or lease.

21 (4) "Broker associate" means a broker who
 22 associates with a broker owner and does not own an interest
 23 in a real estate firm.

24 (5) "Broker owner" means a broker who owns or has a
 25 financial interest in a real estate firm.

1 {5}{6} "Department" means the department of commerce
2 provided for in Title 2, chapter 15, part 18.

3 {6}{7} "Franchise agreement" means a contract or
4 agreement by which:

5 (a) a franchisee is granted the right to engage in
6 business under a marketing plan prescribed in substantial
7 part by the franchisor;

8 (b) the operation of the franchisee's business is
9 substantially associated with the franchisor's trademark,
10 trade name, logotype, or other commercial symbol or
11 advertising designating the franchisor; and

12 (c) the franchisee is required to pay, directly or
13 indirectly, a fee for the right to operate under the
14 agreement.

15 {7}{8} "Person" includes individuals, partnerships,
16 associations, and corporations, foreign and domestic, except
17 that when referring to a person licensed under this chapter,
18 it means an individual.

19 {8}{9} "Real estate" includes leaseholds as well as
20 any other interest or estate in land, whether corporeal,
21 incorporeal, freehold, or nonfreehold and whether the real
22 estate is situated in this state or elsewhere.

23 {9}{10} "Salesman" includes an individual who for a
24 salary, commission, or compensation of any kind is
25 associated, either directly, indirectly, regularly, or

1 occasionally, with a real estate broker to sell, purchase,
2 or negotiate for the sale, purchase, exchange, or renting of
3 real estate."

4 Section 2. Section 37-51-311, MCA, is amended to read:

5 "37-51-311. Fees -- deposit of fees. (1) The fees
6 prescribed by the board shall be charged by the department
7 and paid into the earmarked revenue fund for the use of the
8 board, subject to 37-1-101(6).

9 (2) The board shall charge an annual fee from a
10 licensee who wishes to be placed in an inactive status. A
11 licensee who is placed in an inactive status by the board
12 and who has paid the required fee need not file a bond with
13 the department as provided in 37-51-304 pay any fee assessed
14 by the board for the purpose of funding the real estate
15 recovery account during the period the licensee remains in
16 inactive status.

17 (3) The board shall adopt a schedule of fees. However,
18 a fee once set for one of the items for which a fee is
19 charged cannot be increased or decreased until at least 1
20 year has passed since the fee for that particular item was
21 last increased or decreased."

22 NEW SECTION. Section 3. Real estate recovery account
23 established -- minimum balance -- interest. (1) There is
24 established in the state special revenue fund for the use of
25 the board a real estate recovery account. The account is

1 used to provide payment of claims based on unsatisfied
2 judgments against persons licensed under the provisions of
3 this chapter.

4 (2) The board shall maintain a minimum balance of
5 \$100,000 in the account. The board may in its discretion
6 transfer any money in excess of that amount from the account
7 to the state special revenue fund for the use of the board
8 in accordance with the purposes provided in 37-51-204.

9 (3) Money earned on the investment of funds in the
10 account must be credited to the account annually.

11 NEW SECTION. Section 4. Initial licensure and renewal
12 assessment. (1) A person initially licensed under the
13 provisions of this chapter in 1986 or thereafter shall, in
14 addition to paying any license fee required under this
15 chapter, be assessed the sum of \$35 at the time of
16 licensure, to be credited to the real estate recovery
17 account.

18 (2) If on June 30 of any year, beginning in 1986, the
19 balance in the real estate recovery account is less than
20 \$100,000, every person licensed under this chapter shall,
21 when renewing his license, pay a sum not to exceed \$35 in
22 addition to the annual renewal fee, which sum is determined
23 by the board to be sufficient to maintain the balance of the
24 account at a minimum of \$100,000.

25 NEW SECTION. Section 5. Claims against fund --

1 orders for payment. (1) Whenever a person obtains a final
2 judgment in any court of competent jurisdiction against any
3 person licensed under this chapter for the conversion of
4 trust funds or arising directly out of any act or
5 transaction occurring on or after July 1, 1985, for which a
6 license is required under this chapter, he may after
7 executing on such final judgment file an application, in
8 accordance with this section and [section 6], in the court
9 in which the judgment was entered for an order directing
10 payment out of the account for any actual and direct loss
11 unpaid on the judgment.

12 (2) No application or order for payment from the
13 account may be made for:

14 (a) a judgment which has been satisfied;
15 (b) any amount in excess of \$25,000 for any one
16 licensee, regardless of the number of persons injured by
17 acts of the licensee or number of parcels of real estate
18 involved in the transaction or transactions;

19 (c) attorney fees and exemplary or punitive damages;
20 or

21 (d) amounts remaining unpaid on any judgment rendered
22 more than 2 years prior to the date of application.

23 (3) The application must be:

24 (a) served by certified mail, return receipt
25 requested, upon the board, the licensee, and any other party

1 to the transaction referred to in the application; and

2 (b) filed with the court along with an affidavit of
3 service.

4 NEW SECTION. Section 6. Form of application. The
5 person making application for payment from the account must
6 show in the application:

7 (1) that he is not the spouse of the judgment debtor
8 or the personal representative of such spouse;

9 (2) that he has obtained a judgment which satisfies
10 the requirements of [section 5], stating the amount of the
11 judgment and the amount unpaid on the date of the
12 application;

13 (3) that he has, on the dates and at the times shown
14 by the applicant, diligently pursued the remedies of
15 execution and proceedings in aid of execution provided in
16 Title 25, chapters 13 and 14, respectively;

17 (4) the amount of any money obtained as a result of
18 the proceedings required to be shown in subsection (3) and
19 the balance of the judgment remaining unpaid for which
20 application is made; and

21 (5) that he has diligently pursued his remedies
22 against any other persons liable to him in the transaction
23 for which he seeks recovery from the account.

24 NEW SECTION. Section 7. Motion to dismiss
25 application. The board may move the court at any time to

1 dismiss the application if it appears that the application
2 is without merit. The motion may be supported by the
3 affidavit of any person having knowledge of the facts and
4 may be made on the basis that the application and the
5 judgment referred to therein do not form the basis for a
6 payable claim under [sections 5 and 6]. The board shall give
7 the applicant at least 10 days' written notice of any motion
8 to dismiss.

9 NEW SECTION. Section 8. Hearing on application. (1)
10 Within 30 days of the filing of the affidavit of service,
11 the court shall conduct a hearing upon the application. Upon
12 the motion of either party, the court shall continue the
13 hearing up to 60 days and upon a showing of good cause may
14 continue the hearing such further period as the court
15 considers appropriate.

16 (2) At the hearing the court shall determine by a
17 preponderance of the evidence the truth of any allegations
18 made in the application and supporting documents that are
19 challenged by the board.

20 NEW SECTION. Section 9. Payment from account. (1) If
21 the court finds after the hearing that an applicant has
22 proved a valid claim against the account, the court shall
23 enter an order directed to the board requiring payment from
24 the account of whatever sum it finds to be due under the
25 provisions of [sections 3 through 15].

(2) The board may, subject to court approval, compromise and pay any application made under [sections 5 and 6]. The board is not bound by any prior compromise, admission, or stipulation of the judgment debtor.

NEW SECTION. Section 10. Limitation of payment -- pro rata distribution. (1) The liability of the account may not exceed \$25,000 for any one licensee until that licensee has repaid the account as provided in [section 11]. If the \$25,000 liability of the account is insufficient to pay in full the valid claims of all applications that have been filed against any one licensee and ordered to be paid, the \$25,000 must be distributed among those claimants in the ratio that the amount ordered to be paid to any one claimant bears to the total amounts ordered to be paid or in such other manner as the court considers equitable; and upon such a distribution, all claims are considered satisfied by the amount so distributed. Distribution of such money must, at any time, be among the persons ordered to receive the same, without regard to the order or priority in which their respective judgments were obtained or their applications filed.

(2) Upon petition of the board, the court may require all existing applications for payment of claims against one licensee to be joined in one proceeding for the purpose of a timely determination of their respective rights to the money

in the account.

(3) An application for payment of a claim against a licensee filed after the distribution of the full amount for which the account is liable for that licensee and before full repayment of the account under [section 11] must be denied by the court.

NEW SECTION. Section 11. Repayment of fund -- suspension of license required. Upon the payment of any amount from the account, the license of the licensee on whose behalf the claim was paid is automatically suspended, effective upon the date of the order of the court for payment from the account. No licensee on whose behalf a claim is paid may be granted reinstatement until he has repaid in full, plus interest at the judgment rate, the amount paid from the account on his behalf. A discharge in bankruptcy does not relieve a licensee from the penalty of suspension required by this section.

NEW SECTION. Section 12. Claims satisfied in order of filing. If account funds are insufficient to satisfy any claim or portion of a claim ordered to be paid on behalf of a licensee for whom the account liability of \$25,000 has not been exceeded, the board shall, when sufficient money has been deposited in the account, satisfy such unpaid claims or portions of them in the order that the applications for such claims were originally filed pursuant to [section 5]. The

1 board shall pay accumulated interest beginning on the date
2 of the order to pay at the judgment rate on each such
3 unpaid claim.

4 NEW SECTION. Section 13. Deposits by board. Money
5 received by the board under [sections 11 and 14] must be
6 deposited in the account and allocated exclusively for the
7 purposes provided in [sections 3 through 15].

8 NEW SECTION. Section 14. Subrogation rights of board.
9 Upon payment of money from the account, the board is
10 subrogated to all of the rights of the judgment creditor to
11 the extent of the amount so paid and the judgment creditor
12 is considered to have assigned to the board all of his
13 right, title, and interest in the judgment to the extent of
14 the amount paid from the account. Any amount and interest
15 recovered by the board on the judgment must be deposited in
16 the account.

17 NEW SECTION. Section 15. Other disciplinary powers
18 unimpaired -- effect of repayment to fund. Nothing
19 contained in [sections 3 through 15] limits the authority of
20 the board to take disciplinary action against any licensee
21 under other provisions of this chapter, nor does the
22 repayment in full of all obligations to the account by any
23 licensee nullify or modify the effect of any other
24 disciplinary action taken by the board under the provisions
25 of this chapter.

1 NEW SECTION. Section 16. Repealer. Section 37-51-304,
2 MCA, is repealed.

3 NEW SECTION. Section 17. Initial transfer of funds
4 -- assessment of all licensees -- retransfer. (1) The
5 amount of \$100,000 is transferred from the state special
6 revenue fund to the real estate recovery account for the use
7 of the board.

8 (2) Notwithstanding the provisions of 37-51-311, the
9 board shall charge a fee of \$35 in addition to any other fee
10 due under the provisions of Title 37, chapter 51, to all
11 licensees paying a renewal fee for the 1986 calendar year.

12 (3) Notwithstanding the provisions of [section 3],
13 \$100,000 is transferred from the real estate recovery
14 account on March 1, 1986, or when the total balance of the
15 account exceeds \$200,000, whichever occurs last, to the
16 state special revenue fund for the use of the board.

17 NEW SECTION. Section 18. Codification instruction.
18 Sections 3 through 15 are intended to be codified as an
19 integral part of Title 37, chapter 51, and the provisions
20 of Title 37, chapter 51, apply to sections 3 through 15.

21 NEW SECTION. Section 19. Extension of authority. Any
22 existing authority of the board of realty regulation to make
23 rules on the subject of the provisions of this act is
24 extended to the provisions of this act.

25 NEW SECTION. Section 20. Effective date. This act is

1 effective July 1, 1985.

-End-

CHAIRMAN--HALLIGAN, MIKE
NORMAL SCHEDULE==> SITE: ROOM 410

DAYS: M-TU-W-TH-F

TIME: 10:00 A.M.-12 NOON

SECRETARY--DUVAL, CAROL

--BILL NO--	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
SB0212	1/24	2/05	2/05 2/08	ADVERSE REPORT		2/8
ECK, DOROTHY			AUTHORIZING AGREEMENTS TO AUGMENT AMTRAK SERVICE			
SB0216	1/23	1/31	1/31	PASS AS AMENDED		1/31
BOYLAN, PAUL F.			GENERAL REVISION OF CONSUMER LOAN LAW			
SB0232	1/23	2/01	2/01 2/08	DO PASS		2/8
THAYER, GENE			MERGING BANKS MAY CONTINUE TO OPERATE MAIN OFFICES			
SB0233	1/23	1/31	1/31 2/06	PASS AS AMENDED		2/6
REGAN, PAT			PROVIDE 30-DAY LIFE INSURANCE SETTLEMENT PERIOD OR INTEREST WILL ACCRUE			
SB0239	1/24	2/06	2/06 2/08	DO PASS		2/8
LYBECK, RAY			FUTURE ADVANCES; MORTGAGE TO SECURE LINE OF CREDIT; VARYING BALANCES			
SB0250	1/26	2/07	2/08 2/08 2/13	ADVERSE REPORT		2/13
MAZUREK, JOSEPH P.			REAL ESTATE RECOVERY ACCOUNT FOR UNSATISFIED JUDGMENTS			
SB0252	1/26	2/05	2/05 2/13 2/15	TABLED		2/15
FULLER, DAVID E.			UNFAIR TRADE PRACTICES-- CEASE AND DESIST ORDERS			
SB0297	2/01	2/12	2/15	ADVERSE REPORT		2/15
ECK, DOROTHY			ALLOW PSC TO ORDER INDEPENDENT UTILITY AUDIT TO BE PAID FOR BY UTILITY			
SB0303	2/01	2/08		PASS AS AMENDED		2/8
MANNING, RICHARD E.			CLARIFY PSC AUTHORITY REGARDING NATURAL GAS PIPELINE SAFETY ACT VIOLATIONS			
SB0306	2/02	2/13	2/15	PASS AS AMENDED		2/15
HAFFEY, JACK			AUDITS OF ECONOMIC DEVELOPMENT BOARD BY BANK EXAMINERS & LEGISLATIVE AUDIT			
SB0317	2/04	2/13	2/21	TABLED		2/21
ECK, DOROTHY			ACT ALLOWING PSC TO PREVENT UTILITY FROM ACTING PENDING PSC INVESTIGATION			

DISPOSITION OF SENATE BILL 212: Senator Halligan reiterated this bill will just allow the governor the authority to enter into agreements with other states and agencies to augment service of Amtrak. Senator Thayer felt it was just a waste of time and Senator Goodover reminded the committee of the problems of the bus service getting enough passengers to support themselves. If Amtrak wants to be here they will be he feels. They feel the governor has the authority already. Senator Halligan restated this just allows him authority if there is expansion of the southern route by Amtrak to negotiate. Senator Goodover then made a motion that Senate Bill 212 DO NOT PASS. The motion carried with Senator Boylan and Senator Halligan voting no.

DISPOSITION OF HOUSE BILL 195: Senator Christiaens then moved that House Bill 195 BE CONCURRED IN. Motion carried.

DISPOSITION OF SENATE BILL 239: An example of a typical loan was distributed by Brad Walterskirchen to the committee members. Senator Halligan stated he had checked this out with other senators and others and there were no objections to this bill. (EXHIBIT 5) Senator Christiaens wanted an explanation of the disclosure required and was told by Earl Johnson, of First Bank, Helena, that it was based upon their line of credit. Senator Thayer then moved that Senate Bill 239 DO PASS. The motion carried.

CONSIDERATION OF SENATE BILL 250: Senator Christiaens felt there were some problems with this bill as presented and particularly with the reinsurance issue. He felt it should be discussed in subcommittee. Mary McCue, Senator Christianes, Senator Goodover, and Senator Halligan will meet with Senator Mazurek to try and develop some amendments and report back to the committee.

DISPOSITION OF SENATE BILL 232: Senator Thayer felt the bill received a fair hearing and he personally feels it is a good bill and is not a branching bill as some opponents say. He feels it will bring in more money to the state and perhaps help out the agricultural banks. Senator Thayer then made a motion that Senate Bill 232 DO PASS. Senator Williams felt it warrants more discussion on the floor. Senator Gage and Senator Christiaens felt it would not save agricultural banks. Senator Halligan asked Steve Browning, First Bank, about the amendment discussed of putting something in the bill for "failing banks" and felt it was unfair to place the burden on three out-of-state holding company banks. Steve Brown felt if there were two failing banks in a community the more successful would be the one chosen. Senator Thayer quoted from an article in "The American Banker" concerning banking troubles. (EXHIBIT 6) The motion passed on a roll call vote 7 to 3 with senators Boylan, Gage and Kolstad voting no.

ROLL CALL

BUSINESS & INDUSTRY COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 2/8/85

SENATE
SEAT
#

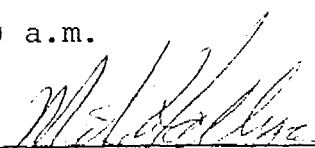
NAME	PRESENT	ABSENT	EXCUSED
Chairman Halligan	X		
V-chrm. Christiaens	X		
Senator Boylan	X		
Senator Fuller	X		
Senator Gage	X		
Senator Goodover	X		
Senator Kolstad	X		
Senator Neuman	X		
Senator Thayer	X		
Senator Williams	X		

Each day attach to minutes.

Senator Gage asked Eileen Shore if this was a unanimous decision to draft this measure and she stated that it was. Senator Halligan felt the measure was more of a cease and desist type of order. Eileen Shore felt they were just buying time. Mike Zimmerman feels the district courts should have the jurisdiction and if the PSC has evidence they should take the matter to court. Senator Goodover felt they have that recourse now. Greg Obert, PSC commissioner, stated they feel they need the protection of this measure. The hearing was closed on Senate Bill 317.

DISPOSITION OF SENATE BILL 250: There were some amendments proposed on Senate Bill 250 which the subcommittee had worked out. (EXHIBIT 6) Senator Christiaens explained they had taken out the section on reinsurance. There was also some concern about the way the realtors assessed sums yearly. They decided to replace this with "the ability to raise additional funding to keep the minimum at \$100,000." It was noted there were opponents to this bill and also several realtors present who felt that it was a good measure. The bill as amended would allow the board to levy whatever they felt was necessary to keep the level at \$100,000. Senator Kolstad stated it was a very good possibility they might have to replace this fund many times a year. Senator Goodover stated there are some states that make this available as an option to the realtor. Senator Gage felt they were just trying to subsidize the bad realtors. Senator Gage then moved that Senate Bill 250 DO NOT PASS. On a roll call vote the motion to DO NOT PASS prevailed 6 to 4 with Senator Halligan, Senator Christiaens, Senator Fuller and Senator Williams voting no.

The meeting was adjourned at 11:30 a.m.


Mike Halligan, Chairman

cd

ROLL CALL

BUSINESS & INDUSTRY

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 2/13/85

SENATE
SEAT

#

NAME	PRESENT	ABSENT	EXCUSED
Chairman Halligan	X		
V-chrm. Christiaens	X		
Senator Boylan	X		
Senator Fuller	X		
Senator Gage	X		
Senator Goodover	X		
Senator Kolstad	X		
Senator Neuman	X		
Senator Thayer	X		
Senator Williams	X		
Senator Weeding	X		

Each day attach to minutes.

STANDING COMMITTEE REPORT

FEBRUARY 13

95

..... 19.....

MR. PRESIDENT

We, your committee on **BUSINESS & INDUSTRY**

SENATE BILL

250

having had under consideration..... No.....

first

reading copy (**white**)
color

REAL ESTATE RECOVERY ACCOUNT FOR UNSATISFIED JUDGMENTS

SENATE BILL

250

Respectfully report as follows: That..... No.....

~~CONFIDENTIAL~~

DO NOT PASS

~~Mike Halligan~~

Chairman.

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS & INDUSTRY

Date February 13, 1985 Bill No. SB 250 Time 11:30 a.m.

NAME	YES	NO
Chairman Mike Halligan		X
V-Chrm. B. F. Christiaens		X
Senator Paul Boylan	X	
Senator David Fuller		X
Senator Delwyn Gage	X	
Senator Pat Goodover	X	
Senator Allen Kolstad	X	
Senator Ted Neuman		
Senator Gene Thayer	X	
Senator Bob Williams		X
Senator Cecil Weeding	X	

Carol Duval
Secretary

Mike Halligan
Chairman

Motion: Motion by Senator Gage to DO NOT PASS Senate Bill 250.
Passed by 6 to 4.

STATUS SHEET

49TH

LEGISLATIVE SESSION

COMMITTEE ON BUSINESS AND LABOR

<u>SENATE</u> BILL NO.	<u>ENTERED</u> COMM.	<u>DATE</u> CONSIDERED	<u>OUT OF</u> COMM.	<u>DO PASS</u> DATE	<u>DO NOT</u> PASS DATE	<u>DO PASS</u> AS AMEND. DATE	<u>BE CON-</u> CURRED IN DATE	<u>BE CONC. IN</u> AS AMENDED DATE	<u>BE NOT CON-</u> CURRED IN DATE
214	2-27	3-15/3-18 3-20	3-20				3-20		
216	2-27	3-14	3-14				3-14		
221	2-27	3-15/3-18	3-18					3-18	
224	2-27	3-15/3-18	3-18				3-18		
233	2-27	3-20	3-20					3-20	
239	2-27	3-21	3-21				3-21		
250	2-27	3-21/3-28 3-29	3-29					3-29	
263	2-27	3-18	3-18					3-18	
274	2-27	3-18	3-18					3-18	
275	2-27	3-14		TABLED AS AMENDED					
281	3-7	3-22/3-26	3-26				3-26		
303	2-27	3-13	3-13				3-13		
323	2-27	3-21/3-29	3-29				3-29		
325	3-7	3-19/3-21	3-21					3-21	
333	2-27	3-20	3-20				3-20		
337	2-27	3-22	3-22				3-22		

worked out for the employees of Arco. Mr. Roberts stated there are outside economic factors involved, but they are doing everything possible to work with the local people.

Senator Lybeck added that tax incentives and the generating of more jobs are factors. Those who own their own business prove to work harder and longer.

There being no further discussion by proponents and no opponents present, all were excused by the chairman and the hearing on Senate Bill 353 was closed.

SENATE BILL 250: Hearing commenced on Senate Bill 250. Senator Joe Mazurek, District #23, sponsor of the bill, by request of the Board of Realty Regulation, explained this allows the board to assess a fee on licenses as required to maintain the real estate recovery account established in the bill at no less than \$100,000. Payments may be made from the account to pay an unsatisfied judgment against a licensee but not more than \$25,000 for any licensee. The account is established by transferring \$100,000 from the state special revenue fund, and the board must assess each license \$35.00 on the 1986 renewal of license. Currently a realtor must purchase a \$10,000 bond annually to pay for any judgment. A claimant may not go after the fund until a diligent effort has been made to collect against the realtor. The Board of Realty Regulation may go back against the realtor to try and collect. This is not putting the state into the insurance profession and no other profession has this requirement imposed upon them, added Senator Mazurek.

Proponent Lon Mitchell, Administrative Assistant, Board of Realty Regulation, Department of Commerce, explained that over 30 states have recovery funds. This will save licensees money and a one time assessment is anticipated. The bill will better protect the public by allowing \$25,000 coverage versus \$10,000. The board would now be aware of any claim that is filed. The state is not going into the insurance business, the legislature has mandated realtors to be insured. Mr. Mitchell distributed to committee members Exhibit 1 which is attached hereto.

Proponent John Dudis a members of the Board of Realty Regulation, stated this bill will enable the public to be more adequately protected.

Proponent George Pierce, Chairman, Billings Board of Realty Regulation, explained this will give the public more coverage at a lower cost.

Proponent Terry Carmody, Executive Vice-President, Montana Association of Realtors, supplied written testimony which is attached hereto as Exhibit 3. Mr. Carmody also distributed to committee members Exhibit 4 which is attached hereto.

Proponent William Spilker, a broker with 11 licensees in this company, stated he is a strong advocate of free enterprise. The legislature has imposed the bonding requirement on the industry and they now have the opportunity to provide for themselves and expand the protection to the public.

Opponent Fritz Gillespie, supplied written testimony which is attached hereto as Exhibit 4. Mr. Gillespie also proposed amendments to the bill and explained the same.

Opponent Glen Drake, representing the American Insurance Association, stated a realtor has unlimited exposure. This is creating a reciprocal insurance company whereby all members are jointly and severally liable for the acts of others. This is not proper legislation and no other profession requires members to pay for the debts of others.

Representative Hansen asked Senator Mazurek who will decide on damages. Senator Mazurek stated the board will.

Representative Brandewie asked Fritz Gillespie what the average payout per year is of a bonding company. Mr. Gillespie explained that he sells about 1/3 to 1/2 of all bonds in the state. In 1984 \$18,400 was paid out in claims and only \$250 has been salvaged.

Representative Brandewie then asked Mr. Gillespie if all surety companies require a financial statement prior to bond issuance. Mr. Gillespie explained that the cost of a bond is \$50 annually or \$100 for three years and the purpose for this bond is to protect the public. When a license is issued by the board, the bonding company does not know if this person is solvent or not.

Representative Schultz asked Terry Carmody if realtors carry only \$15,000 in liability bonding. Mr. Carmody explained that only \$10,000 is required but 75% of the licensees generally carry 1 million dollars of errors and omissions insurance.

Representative Schultz asked Senator Mazurek if this will

preclude an individual from taking a broker to court. Senator Mazurek stated that an individual may still go through the court system.

Representative Kadas asked Lon Mitchell where the interest will go that the fund collects. Mr. Mitchell stated it will remain with the state revenue account and if the board decides to use it for educational purposes they may do so.

Representative Ellerd asked Fritz Gillespie if a bonding request has ever been turned down. Mr. Gillespie did not know.

Representative Ellerd addressed the same question to Terry Carmody. Mr. Carmody stated that those in the industry say they are not aware of anyone being turned down. If you work for a good broker, you will get your bond with little or no investigation.

Representative Simon asked Fritz Gillespie the number of claimers per year for the past ten years. Mr. Gillespie stated the claims run between approximately \$15,000 and \$18,000 per year.

Representative Simon asked Terry Carmody if he had any figures on the number of bonds that have been forfeited. Mr. Carmody stated he has never been able to find one.

Representative Simon addressed the same question to Lon Mitchell. Mr. Mitchell explained that he is not aware of any forfeitures.

Representative Simon asked Lon Mitchell if the board is notified when a claim is filed. Mr. Mitchell stated they get no feed-back from the bonding companies. A consumer will call when a claim is not being handled expeditiously.

Representative Hansen asked Senator Mazurek why the money in the fund is not used for continuing education. Senator Mazurek stated that 37-51-204 will authorize the board to do so.

Representative Brandewie asked Lon Mitchell how many licensees Montana has. Mr. Mitchell stated there are 5,391.

Representative Brown asked Senator Mazurek if any of the proposed amendments are acceptable. Senator Mazurek stated he would like to look at them.

In closing, Senator Mazurek, stated by mandate the realtors

must purchase a bond and Senate Bill 250 will still provide for public protection, we should allow the realtors to set up their own system.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on Senate Bill 250 was closed.

SENATE BILL 323: Hearing commenced on Senate Bill 323. Senator Tom Hager, District #48, sponsor of the bill, by request of the Board of Professional Engineers and Land Surveyors, stated this revises the occupational licensing law in regard to engineers and land surveyors.

Proponent Maurice Guay, a member of the board of professional engineers and land surveyors, stated this is a housekeeping bill. Mr. Guay explained and went through the bill with the committee, commenting on the reason for the changes.

Proponent Robert S. Custer, representing the Montana Association of Registered Land Surveyors, offered his support of the bill.

Representative Schultz asked Senator Hager what the difference between a registered and professional engineer is. Senator Hager explained they are one in the same.

Representative Glaser asked Sonny Hanson if the provision in Section 5 means all officers in a corporation must be registered, professional engineers. Mr. Hanson explained that no, this means the plans and drawing signed as an individual must have the corporate stamp.

Representative Glaser asked Mr. Hanson if a mother and father helped a son set up a shop, must they be engineers to do so. Mr. Hanson stated they need not be engineers and the son would be responsible.

There being no further discussion by proponents and no opponents present, all were excused by the chairman and the hearing on Senate Bill 323 was closed.

ACTION ON SENATE BILL 239: Representative Kitselman moved DO PASS on Senate Bill 239. Second was received, Senate Bill 239 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 450: Representative Simon moved DO PASS ON Senate Bill 450. Second was received, Senate Bill 450 will BE CONCURRED IN by unanimous vote.

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March 21, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormick	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin			✓

SUMMARY SHEET
REAL ESTATE RECOVERY FUND BILL

Exhibit 1
3/21/85
SB250
Submitted by:
Lon Mitchell

I. Summary of Bill Provisions

- A. A real estate recovery fund with a minimum balance of \$100,000 is established. There is no maximum amount for the fund. Excess monies not necessary to pay claims against the fund may be used, at the discretion of the Board of Realty Regulation, for educational purposes as specified in Section 37-51-204, MCA.
- B. The purpose of the fund will be to provide a source of money whereby members of the public who have been injured through the actions of real estate licensees for the conversion of trust funds (or arising out of any act or transaction for which a license is required) may receive compensation. NOTE, however, that this fund is not intended to serve as a substitute for any errors and omissions insurance which should be carried by the individual licensee.
- C. This fund is strictly a source of last resort. Before seeking compensation from the fund, the injured party must have first obtained a court judgment for damages and must have done everything reasonably possible to collect that judgment from the assets of the licensee involved.
- D. Recovery from the fund will be granted only upon order of the court which granted the original judgment and only after a hearing by that court. Both the judgment debtor and the Board of Realty Regulation have the opportunity to appear at that hearing.
- E. Recovery against any one licensee or involving any single transaction is limited to \$25,000.
- F. Initial funding will be provided by the Board, but will be recovered through assessments levied against the licensees. Beginning with the 1986 renewals, every licensee who pays a renewal fee for the 1986 calendar year (except for those who are placed on "inactive status"), will pay a one-time assessment of \$35. Thereafter, only new licensees will pay the \$35 fee which will be submitted at the time of issuance of their license. The bill is designed to assess every licensed individual only once except in the event that the balance in the fund drops below \$100,000. In that case, all active licensees would be assessed as necessary to restore the minimum balance of the fund.

- G. Section 37-51-304, MCA, which requires that all licensees provide a surety bond in the amount of \$10,000, will be deleted.

II. Financial Projections

- A. Initial one-time assessment for all licensees should generate approximately \$140,000. After reimbursement of the initial \$100,000 to the Board's earmarked revenue fund the balance of the recovery fund will be approximately \$140,000.
- B. Thereafter, assessments of new licensees should generate approximately \$29,750 per year.
- C. Very sketchy information received from companies issuing the present bonds indicates that total claims paid from the recovery fund should average between \$20,000 and \$25,000 per year. This average would mean that no additional assessments would be necessary for future renewals of active licensees.

III. Benefits of Replacing Present Bonds with Recovery Fund

- A. Timesavings for Board staff - The staff for the Board of Realty Regulation presently processes in excess of 600 bonds per year. A significant amount of time is spent each year for administration of the present bonding requirement. This time is spent in the following fashion: 1) Insuring that the bond accompanies all applications for original licensure and handling follow-up correspondence with the licensee when a bond is not properly submitted; 2) Handling follow-up correspondence with the licensee when a bond is cancelled or expires; 3) Reviewing bonds received to insure that they are valid which involves sending all bonds received to the Office of the State Insurance Commissioner.
- B. Time savings for staff of State Insurance Commissioner - Presently all bonds received by the Board must be reviewed for proper format and signatures. Again, a significant amount of time is spent reviewing over 600 bonds per year.
- C. Cost reduction for licensees - The licensees presently pay approximately \$33 per year for the bonds. Under the bill as drafted, they would pay a one-time assessment of \$35. Passage of the recovery fund bill will not put the State into the insurance business competing with private suppliers. It simply provides a means whereby the licensees will, in essence, be self-insured thereby escaping that portion of their bond premium

representing profit and overhead for the insurers. In addition, the licensees will save a considerable amount of time presently spent in complying with the bonding requirement. Specifically, the turn around time in getting the bonds reviewed by the Insurance Commissioner will be eliminated.

- D. Additional protection for the public - Recovery under the present bonds is limited to \$10,000 per licensee. Under the proposed bill, an injured party could recover up to \$25,000 on a single transaction.

IV. Comparable Statutes (surrounding states).

- A. Currently, in excess of 30 states have recovery funds - all apparently functioning well.
- B. Idaho
 - 1. Established in 1971
 - 2. Minimum balance of recovery fund is \$20,000
 - 3. Recovery limit is \$2,000 per licensee per year
 - 4. Fund also includes education
- C. South Dakota
 - 1. Established in 1977
 - 2. Minimum balance of recovery fund is \$50,000
 - 3. Recovery limit is \$15,000 per claimant and per licensee
- D. North Dakota
 - 1. Established in 1977
 - 2. Minimum balance of recovery fund is \$60,000
 - 3. Recovery limit is \$15,000 per transaction regardless of number of injured parties or licensees involved
 - 4. Fund also includes education and research
- E. Wyoming
 - 1. Date established unknown
 - 2. Minimum balance of recovery fund is \$50,000
 - 3. Recovery limit is \$4,000 per licensee
- F. Colorado
 - 1. Established in 1972
 - 2. No minimum balance of recovery fund
 - 3. Recovery limit is \$50,000 per licensee and per transaction if more than one licensee is involved
- G. Utah
 - 1. Established 1976
 - 2. Minimum balance of recovery fund is \$100,000
 - 3. Recovery limit is \$10,000 per licensee
 - 4. Fund also includes education and research



MONTANA
ASSOCIATION
OF REALTORS®

Exhibit 2
3/21/85 SB250
EXECUTIVE OFFICE
910 HELENA AVENUE
HELENA, MONTANA 59601
TELEPHONE:
(406) 443-4032

TESTIMONY FOR SB 250

by
Terry Carmody

I am Terry Carmody, Executive Vice President of the Montana Association of REALTORS, here to support SB 250.

Present law, section 37-51-304, requires that all licensees have a \$10,000.00 bond to protect the consumer against loss or damage arising from the licensee's practice as a real estate broker or salesman.

It is my understanding that we are the only licensed profession that requires such a bond. Because we do have this requirement, which we do not necessarily oppose, we feel that it is no more than right to allow the industry to bond ourselves.

SB 250 would give us this right. In addition, it will give the consuming public additional protection in that the amount is being raised from \$10,000.00 to \$25,000.00.

Presently, a \$10,000.00 bond will cost \$100.00 for 3 years or \$50.00 for 1 year. There is about 5000 licensees in the state. If you figure the cost of a 3-year bond at \$100.00, that means that we are looking at about \$165,000.00 a year industry. Two-thirds of this goes out-of-state as there is no bonding company located in Montana. Only one-third of it stays in Montana as commissions to salesmen. If this bill is passed, all \$165,000.00 will stay in Montana.

You may be told that the \$100,000.00 fund will not be large enough or that there will be a big run on the fund as soon as the lawyers hear about it. I will not tell you that this won't happen, but in the other 32 states that have similar funds, this has not been the case. I have passed out a report from the National Association of Real Estate License Law Officials that shows the experience of these funds in the other states. I personally talked to the Executive Vice President of the National Association of Real Estate License Law Officials in December and he told me that to his knowledge, all funds were solvent and doing well. So the boogy men that the bonding companies may tell you about did not appear in the 32 states that have similar funds. I see no reason why they should appear here in Montana.

I would hope that you will give this bill a do pass and keep Montana money in Montana.

Thank you.

NATIONAL ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS

1984-85 ANNUAL REPORT

Exhibit 3

3/21/85

Submitted by:
SB250 Recovery Funds
Terry Carmody

	MINIMUM BALANCE REQUIRED	FREQUENCY OF LICENSEE PAYMENTS	PAID TO PUBLIC FOR LOSSES				PAYMENT FOR OTHER THAN LOSSES BY PUBLIC			WHO DETERMINES WHAT PAYMENTS ARE MADE	MAXIMUM LIABILITY OF FUND PER LICENSEE	
			TOTAL \$ EVER PAID	NUMBER RECEIVING PAYMENTS	TOTAL \$ PAID LAST YR.	NUMBER RECEIVING PAYMENTS	CAN SUCH PAYMENTS BE MADE	TOTAL \$ EVER PAID	TOTAL \$ PAID LAST YR		BROKER	SALES
ALABAMA	\$ 500M	As nec to maint min	\$157,042	17	\$ 60M	13	Yes: Atty fees	\$10,848	\$ 5,987	Court	\$50M	\$ 50M
ALASKA	\$ 250M	Every 2yrs	\$400M	50	\$100M	120	Yes: Ed programs & hearing costs	\$ 120M	\$ 50M	Commission	\$50M	\$ 50M
ALBERTA	--	--	--	--	--	--	--	--	--	--	--	--
ARIZONA	\$ 200M	Once	\$467,159	54	\$ 47,165	5	Yes: Atty fees	--	--	Court	\$30M	\$ 30M
ARKANSAS	\$ 250M	As nec to maint min	\$ 50,680	31	\$ 21,151	14	Yes (No leg. appropriation)	\$69,500	\$ 0	Commission	\$50M	\$ 50M
BRITISH COL.	--	--	--	--	--	--	--	--	--	--	--	--
CALIFORNIA	\$ 200M	As nec to maint min	\$4,010,557	638	\$859,383	62	No	--	--	Court	\$100M	\$100M
COLORADO	None	Legislative decision	--	--	\$272,017	15	No	--	--	Court	\$ 50M	\$ 50M
CONNECTICUT	\$275M (max)	Once	\$ 48,167	14	\$ 15,683	2	Yes: Any aggrieved person	\$ 0	\$ 0	Commission	\$ 25M	\$ 25M
DELAWARE	\$ 50M	Once	\$ 0	0	\$ 0	0	No	N/A	N/A	Commission	\$ 10M	\$ 10M
D. C.	\$300M	Every 2yrs as nec to min \$1,500,000 max	--	--	--	--	Yes: Educ programs	\$7M	\$7M	Court/Comm.	\$ 50M	\$ 50M
FLORIDA	\$ 450M	As nec to maint min	\$299,800	36	\$134,075	20	No	--	--	Commission	\$ 50M	\$ 50M

RECOVERY FUNDS	MINIMUM BALANCE REQUIRED	FREQUENCY OF LICENSEE PAYMENTS	PAID TO PUBLIC FOR LOSSES				PAYMENT FOR OTHER THAN LOSSES BY PUBLIC			WHO DETERMINES WHAT PAYMENTS ARE MADE	MAXIMUM LIABILITY OF FUND PER LICENSEE	
			TOTAL \$ EVER PAID	NUMBER RECEIVING PAYMENTS	TOTAL \$ PAID LAST YR.	NUMBER RECEIVING PAYMENTS	CAN SUCH PAYMENTS BE MADE	TOTAL \$ EVER PAID	TOTAL \$ PAID LAST YR		BROKER	SALES
GEORGIA	\$ 500M	As nec to maint min	\$305,458	79	\$ 92,960	12	Yes: Ed programs	274,197	105,454	Court/Comm	\$20M	\$20M
GUAM	--	--	--	--	--	--	--	--	--	--	--	--
HAWAII	\$ 350M	As nec to main min	\$548,600	--	\$ 43,600	27	No	--	--	Court/Comm	\$50M	\$50M
IDAH0	\$ 20M	Every 2 yrs	\$ 6M	2	\$ 4M	1	No	--	--	Court/Comm	\$ 2M	\$ 2M
ILLINOIS	\$1,250M	As nec	\$986,849	156	\$170,472	18	Yes: Office of RE Research	--	--	Court	\$50M	\$50M
INDIANA	--	--	--	--	--	--	--	--	--	--	--	--
IOWA	--	--	--	--	--	--	--	--	--	--	--	--
KANSAS	\$ 100M	As nec to maint bal	\$ 91,127	12	\$30M	3	No	--	--	Court	\$50M	\$50M
KENTUCKY	\$ 400M	Annually	\$ 71,259	39	\$550	1	Yes: Educ & office expenses	\$3242M	\$ 457M	Commission	\$20M	\$20M
LOUISIANA	\$ 400M	As nec	\$ 63,974	18	\$ 319	1	No	--	--	Comm & Atty General	\$30M	\$30M
MAINE	--	--	--	--	--	--	--	--	--	--	--	--
MARYLAND	\$ 250M	As nec to maint bal	\$2,220,600	296	\$189,700	27	No	--	--	Court/Comm	\$25M	\$25M

RECOVERY FUNDS	MINIMUM BALANCE REQUIRED	FREQUENCY OF LICENSEE PAYMENTS	PAID TO PUBLIC FOR LOSSES				PAYMENT FOR OTHER THAN LOSSES BY PUBLIC			WHO DETERMINES WHAT PAYMENTS ARE MADE	MAXIMUM LIABILITY OF FUND PER LICENSEE	
			TOTAL \$ EVER PAID	NUMBER RECEIVING PAYMENTS	TOTAL \$ PAID LAST YR.	NUMBER RECEIVING PAYMENTS	CAN SUCH PAYMENTS BE MADE	TOTAL \$ EVER PAID	TOTAL \$ PAID LAST YR.		BROKER	SALES
MASSACHUSETTS	--	--	--	--	--	--	--	--	--	--	--	--
MICHIGAN	--	--	--	--	--	--	--	--	--	--	--	--
MINNESOTA	±\$600M	Initl + \$5 per yr to main bal	\$546,602	89	\$ 35M	8	Yes: Education & research	--	--	Court/Comm	\$25M	\$25M
MISSISSIPPI	--	--	--	--	--	--	--	--	--	--	--	--
MISSOURI	--	--	--	--	--	--	--	--	--	--	--	--
MONTANA	--	--	--	--	--	--	--	--	--	--	--	--
NEBRASKA	--	--	--	--	--	--	--	--	--	--	--	--
NEVADA	\$ 50M	Every 2yrs	\$258,580	46	\$69,955 (current yr)	17	No	--	--	Court	\$20M	\$20M
N BRUNSWICK	--	--	--	--	--	--	--	--	--	--	--	--
N HAMPSHIRE	--	--	--	--	--	--	--	--	--	--	--	--
N JERSEY	NONE	When depleted	\$360,847 (pd) \$278,683 (pend)	82	--	36	Yes	--	--	Court	None (\$10M limit)	None (1c per claim)
NEW MEXICO	\$ 250M	As nec.	--	--	--	--	Yes	--	--	Court	\$10M	\$10M

RECOVERY FUNDS	MINIMUM BALANCE REQUIRED	FREQUENCY OF LICENSEE PAYMENTS	PAID TO PUBLIC FOR LOSSES				PAYMENT FOR OTHER THAN LOSSES BY PUBLIC			WHO DETERMINES WHAT PAYMENTS ARE MADE	MAXIMUM LIABILITY OF FUND PER LICENSEE	
			TOTAL \$ EVER PAID	NUMBER RECEIVING PAYMENTS	TOTAL \$ PAID LAST YR.	NUMBER RECEIVING PAYMENTS	CAN SUCH PAYMENTS BE MADE	TOTAL \$ EVER PAID	TOTAL \$ PAID LAST YR.		BROKER	SALES
NEW YORK	--	--	--	--	--	--	--	--	--	--	--	--
N CAROLINA	\$ 50M	As nec to maint bal	\$78,844	20	\$37,372	10	YES: Atty. fees	\$2,540	\$240	Court	\$20M	\$20M
N DAKOTA	\$ 60M	As nec to maint bal	\$ 24,356	4	\$0	0	Yes: Education	\$4,648	\$0	Court (claim: Comm - Ed.)	\$15M	\$15M
OHIO	\$1000M	None	\$698,409	113	\$216,276	24	No	--	--	Court	\$40M	\$40M
OKLAHOMA	\$ 250M	Every 3yrs	\$ 27M	3	\$0	0	Yes: Ed. Programs (\$100M per yr)	\$515M	\$ 90M	Court	\$50M	\$50M
ONTARIO	--	--	--	--	--	--	--	--	--	--	--	--
OREGON	--	--	--	--	--	--	--	--	--	--	--	--
PERN	\$ 300M	Initial lic & as nec to maint bal	\$68,745	8	\$19,630	4	No	--	--	Court	\$100M	\$100M
QUEBEC	--	--	--	--	--	--	--	--	--	--	--	--
RHODE ISLAND	\$100M	--	--	-	-	-	No	--	--	Court	\$20M	\$20M
SASKATCHEWAN	--	--	--	--	--	--	--	--	--	--	--	--
S CAROLINA	--	--	--	--	--	--	--	--	--	--	-	--

RECOVERY FUNDS	MINIMUM BALANCE REQUIRED	FREQUENCY OF LICENSEE PAYMENTS	PAID TO PUBLIC FOR LOSSES				PAYMENT FOR OTHER THAN LOSSES BY PUBLIC			WHO DETERMINES WHAT PAYMENTS ARE MADE	MAXIMUM LIABILITY OF FUND PER LICENSEE	
			TOTAL \$ EVER PAID	NUMBER RECEIVING PAYMENTS	TOTAL \$ PAID LAST YR.	NUMBER RECEIVING PAYMENTS	CAN SUCH PAYMENTS BE MADE	TOTAL \$ EVER PAID	TOTAL \$ PAID LAST YR		BROKER	SALES
S DAKOTA	\$ 50M	As nec to maint bal	\$0	0	\$0	0	No	--	--	Court	\$15M	\$15M
TENN	\$ 500M (1/1/85)	As nec to maint bal	--	--	--	--	--	--	--	Court	\$30M	\$30M
TEXAS	\$ 300M	As nec to maint bal	\$983,028	25	\$288,816 (1981)	30	No	--	--	Court	\$50M	\$50M
UTAH	\$ 100M	Every 2yrs	\$67M	10	\$34M (1983)	5	--	--	--	Court	\$10M (limit per claim)	\$10M
VERMONT	--	--	--	--	--	--	--	--	--	--	--	--
VIRGINIA	\$400M	As nec to maint bal (not to exceed \$20/2yrs)	\$358,226	86	\$ 5,100	2	No	--	--	Court	\$100M p/y (mult. claimants/trans)	\$100M p/y
VIRGIN IS	--	--	--	--	--	--	--	--	--	--	--	--
WASHINGTON	--	--	--	--	--	--	--	--	--	--	--	--
W VIRGINIA	--	--	--	--	--	--	--	--	--	--	--	--
WISCONSIN	--	--	--	--	--	--	--	--	--	--	--	--
WYOMING	\$ 50M	As nec to maint bal.	--	--	--	--	--	--	--	Court	\$4M	\$4M

AMENDMENTS TO SB 250

SB 250 establishes a real estate recovery account to replace the bond now required of realtors by M.C.A. 37-51-304.

Proponents of SB 250 say its provision will allow those who suffer losses from acts or omissions of realtors to recover from the account in virtually the same way they now recover on the bond. However, this is not entirely correct. M.C.A. 37-51-304 (attached) sets forth only 2 prerequisites to recover on the \$10,000.00 bond. They are (1) obtaining a judgment, and (2) the loss or damage expressed by the judgment arose out of the realtor's practice. These prerequisites are contained in SB 250, §5(1)(p.6), but, in addition, SB 250 contains several procedural hurdles and substantive restrictions which a bonding company could not impose against recovery on a bond. Proponents of SB 250 cannot cite any law like these hurdles and restrictions which would similarly preclude recovery on a bond. These hurdles and restriction should be removed from SB 250 to protect the public by making recovery from the account virtually the same as recovery on a bond.

Some amendments proposed are necessary to remove internal inconsistencies in SB 250.

AMENDMENTS

1. Page 4
Following: line 17
Strike: subsection 3 in its
entirety.

Section 2(2)(p.4, line 14) and §16(2)(p. 12, line 16) refers to the money assessed from the realtors to fund the account as a "fee". Section 4(2)(p.5) says the realtors may assess a fee in any amount at any time, which may be more than once a year in different amounts. M.C.A. 37-51-311(3) (§2(3)) prohibits what §4(2) allows. This inconsistency must be removed.

2. Page 6, line 8
Following: "arising"
Strike: "directly"

3. Page 6, line 10
Following: "may"
Strike: "after"

4. Page 6
Following: line 10
Strike: "executing on such
final judgment"

5. Page 6, line 14
Following: "any"
Strike: "actual"

6. Page 6
Following: line 14
Strike: "and direct"

7. Page 6, line 15
Following: "loss"
Insert: "or damage"

8. Page 6, line 22
Following: "transactions;"
Insert: "or"

9. Page 6
Following: line 22
Strike: subsection (c) in its
entirety"
Renumber: subsection "(d)" as
"(c)"

Amendments 2-7. are necessary to make the account available to the public for recovery for any loss or damage caused by the realtor in the course of his practice just like recovery on a bond. Neither M.C.A. 37-51-304, nor any other provision of law, limits recovery on a realtor's bond to only so much of the judgment as is "actual and direct" loss arising "directly" out of the realtor's practice. For example, if a person has a \$10,000.00 judgment against a realtor, \$2,500.00 of which was actual loss arising directly out of the transaction, \$5,000.00 of which was a loss to a business caused by the \$2,500.00 actual loss although the business was not a part of the transaction, and \$2,500.00 was for emotional distress, the person could recover \$10,000.00 on the bond, but only \$2,500.00 from the account. Attached are other examples of how a person might recover less from the account than on a bond even though the limit on the account is \$25,000.00. Moreover, neither M.C.A. 37-51-304, nor any other provision of law, requires execution on the judgment before there can be recovery on a bond.

Realty listing agreements commonly provide for recovery of attorney fees to the prevailing party in the event of litigation. If a judgment against a realtor contains an award of attorney fees, recovery can be made on the bond. Under present case law, a person can recover

punitive damages on a bond if the judgment contains such an award. This amendment is necessary to make the account available to the public for recovery from the account for the same loss or damage which can now be recovered on a bond. Attached are examples of how a person could recover less from the account than on a bond.

Section 5(1)(p.6) says a person can file an application to recover from the account only after he has obtained and executed on a final judgment. A judgment might not become final until many months after it is rendered if there is an appeal. Yet §5(2)(d)(p.6, line 25) seems to start the 2 years running before a judgment might become final.

Why should a person have to serve every person who had anything to do with the transaction, whether he has a judgment against them or not, when this is a bill to allow recovery against the account for what the realtor did? If a person had to bring suit to recover on a bond he would only have to name and serve the realtor and bonding company.

Before SB 250 was amended the proceedings were before the courts. There is no need to file with the court when the proceeding will be before the board.

Amendments 13-15 are necessary to make the account available to the public for recovery just as recovery can be made on a bond. While a person might first try to execute on a judgment against all of whom it runs, neither

10. Page 6, line 25
Following: "any"
Insert: "final"
Following: "judgment"
Strike: "rendered"
Insert: "entered"

11. Page 7, line 4
Following: "board"
Insert: "and"
Following: "licensee"
Strike: "and any other party"

12. Page 7, line 6
Following: "the"
Strike: "court"
Insert: "board"

13. Page 7, line 12
Following: "spouse;"
Insert: "and"

14. Page 7, line 16
Following: "application"
Strike: ";"
Insert: "."

15. Page 7
Following: Line 16
Strike: subsections (3),(4)
and (5) in their entirety

M.C.A. 37-51-304, nor any other provision of law, requires the judgment creditor to exhaust these onerous remedies before recovery can be made on a bond. The bond is a source of recovery available at the same time the assets of the realtor and other judgment debtors are. The bond is not a fund of last resort, but the account truly is the way SB 250 is now written. Attached are examples of ways in which people can be denied recovery from the account if §§6(3), (4) and (5) are not stricken from SB 250.

16. Page 8
Following: line 12
Strike: "board"
Insert: "licensee"

Before SB 250 was amended the board a party to the proceedings as well as the realtor. As SB 250 is amended, the realtor is the party who moves to have the board dismiss the application. The board is substituted for the courts as the impartial authority which decides the applications. The licensee (realtor) should give the notice of his intention to have an application dismissed.

17. Page 9
Following: line 6
Strike: subsection (2) in its entirety

Because the board has been substituted for the courts, §9(1)(p.9) requires the board to order payment from the account for a valid claim whereas §9(2) gives the board discretionary authority to pay all or only some part of a valid claim. Moreover, the second sentence of §9(2) allows the board to attack the judgment "collaterally". A bonding company cannot do so. If the concern is that the realtor might say the loss arose in the course of his practice when it did not, there are adequate protections in §5(1)(p.6) and §6(2)(p.7) to prevent this.

18. Page 9, line 14
Following: "licensee"
Insert: "until that licensee
has repaid the account"

Before SB 250 was amended the liability of the account could not exceed \$25,000.00 for any one realtor until he had repaid the account as provided in §11. But, if the account was so repaid and the realtor was reinstated, the account could again be liable for that realtor. The reference to §11 in §10 had to be stricken when §11 was stricken. But too much of §10 was stricken. The way §10 is now written the account is liable to the extent of \$25,000.00 even if the realtor repays the account. If there is recovery on a bond and the realtor is rebonded, a person can recover on the subsequent bond. This amendment is needed to protect the public.

19. Page 9, line 21
Following: "paid"
Strike: "or in such other
manner as the board considers
equitable"

The preceding clause sets out the manner for apportioning the \$25,000.00 and this clause takes it away. If left as is, these inconsistent clauses will foster prolonged controversies before the board, and into the courts, about how the account should be apportioned.

20. Page 11, line 21
Following: "account."
Insert: "To the extent of any
amounts remaining unpaid on
the judgment, the rights,
title and interests of the
judgment creditor are
superior to those acquired by
the board."

The reason for this amendment is to make certain the rights, title, and interests of the judgment creditor and the board are put in the correct priority.

The foregoing amendments are necessary to provide the public the same protection as is now available.

EXAMPLES OF HOW SB 250, AS NOW DRAFTED, MAY PREVENT A PERSON
FROM RECOVERING LESS FROM THE ACCOUNT THAN ON A BOND

M.C.A. 37-51-304 guarantees the realtor will pay at least \$10,000.00 of judgments rendered for any loss or damage which arose in the course of the realtor's practice.

SB 250, §5(1)(p.6) allows recovery up to \$25,000.00 from the account only for "actual and direct" loss arising "directly" out of the realtor's act or the realty transaction, and only after the judgment creditor has executed on the judgment.

SB 250, §5(2)(c)(p.6) prohibits the recovery of attorney's fees and exemplary or punitive damages from the account.

SB 250, §6(3)(4) and (5)(p.7), as amended, requires a person with an unsatisfied judgment to affirmatively say in his application for recovery from the account that he has diligently pursued his remedies of execution [M.C.A. title 25, chapter 13] and proceedings in aid of execution [M.C.A. title 25, chapter 14] against the realtor AND any other person against whom he has a judgment as a result of the transaction.

SB 250, §9(p.2)(p.9), as amended, says the board may pay all or any part of a claim under [§§5 and 6].

(1) What happens if the person has an actual loss of \$5,000.00 directly from the transaction, but that loss unquestionably causes a loss of \$10,000.00 in the person's business separate from the transaction? Under M.C.A. 37-51-304 the person can recover at least \$10,000.00 of the \$15,000.00 loss. According to SB 250, §5(1) the person recovers only \$5,000.00 from the account.

(2) What happens if the person has an actual loss of \$7,500.00 and a jury awards \$2,500.00 for emotional distress and mental anguish caused by the loss in the transaction? Under M.C.A. 37-51-304 the person recovers \$10,000.00. Under SB 250, §5(1) the person recovers \$7,500.00.

(3) Realty listing agreements commonly provide for the recovery of attorney fees to the prevailing party in the event of litigation. What happens if the person has an actual loss of \$9,000.00 and is awarded \$1,000.00 in attorney fees? Under M.C.A. 37-51-304 the person recovers \$10,000.00. Under SB 250, §5(2)(c) the person recovers \$9,000.00.

(4) What happens if the person has an actual loss of \$7,500.00 and a jury awards \$2,500.00 in punitive damages against the realtor? Under present case law on punitive damages, the person would recover \$10,000.00 under M.C.A. 37-51-304. Under SB 250, §5(2)(c) the person recovers \$7,500.00.

(5) What happens if a jury returns a general verdict of \$25,000.00? Under M.C.A. 37-51-304 the person recovers \$10,000.00 without the necessity of having to prove again how much of that general verdict was actual and direct loss. Keeping in mind the requirements of SB 250, §5(1) about recovery from the account only for "actual and direct" loss, does the person have to again prove to the realty board how much of the \$25,000.00 judgment was actual and direct loss? It appears so. If so, and the actual damages are \$5,000.00, the person recovers only \$5,000.00 from the account instead of \$10,000.00 under M.C.A. 37-51-304.

(6) What happens if the person presented a claim of \$10,000.00 for actual loss along with a claim for emotional distress and mental anguish to the jury, the realtor contends the actual loss was only \$5,000.00, and the jury returns a general verdict of \$25,000.00? Again, under M.C.A. 37-51-304 the person would recover at least \$10,000.00. Is the board bound by the person's claims for \$10,000.00 of actual loss, the realtor's contention of \$5,000.00, or can the board arrive at

some other amount? In other words, does the person with the judgment again have to prove the amount of his actual and direct loss? It appears so.

(7) What happens if a jury returns a general verdict \$25,000.00, only \$5,000.00 of which was actual and direct loss, and through execution has satisfied \$15,000.00 of his \$25,000.00 judgment? Under M.C.A. 37-51-304 the person can recover \$10,000.00 and be made whole. Under SB 250 can the board find and conclude that the person has recovered his actual and direct loss of \$5,000.00 through his partial satisfaction of judgment of \$15,000.00 and deny the person any recovery from the account. It appears so.

(8) What happens if the person has an unsatisfied judgment against the realtor in the amount of \$10,000.00 before he has pursued his remedies of execution and proceedings in aide of execution? Under M.C.A. 37-51-304 the person can recover \$10,00.00 on the bond. Under SB 250, §6, he cannot recover from the account.

(9) What happens if the person has executed on his judgment and has an unsatisfied balance of \$10,000.00? Under M.C.A. 37-51-304 the person can recover \$10,000.00 on the bond. Under SB 250, §6, the person cannot recover because he has not exhausted the proceedings in aide of execution.

(10) What happens if the person has a judgment against a realtor and non-realtors as a result of the transaction, has pursued his remedies of execution and proceedings in aide of execution against the realtor but not against the non-realtors and the unsatisfied amount of the judgment is \$10,000.00? Under M.C.A. 37-51-304 the person can recover \$10,000.00. Under SB 250, §6 the person cannot recover from the account because he has not executed or pursued the proceedings in aide of execution against the non-realtors.

(11) What happens if the person has a \$20,000.00 judgment against a realtor and non-realtors, \$5,000.00 of which was for actual and direct loss, he has pursued his remedies of execution

and proceedings in aide of execution against the realtor and non-realtors, no part of his judgment was satisfied from assets of the reatlror, but \$10,000.00 of the judgment remains unsatisfied? Under M.C.A. 37-51-304 the person can recover \$10,000.00. Keeping in mind the provisions of SB 250 §5(1) that recovery from the account can be only for acutal and direct loss, can the board determine that the \$5,000.00 of actual and direct loss was satisfied by execution on the non-realtors and thereby deny recover from the account? At best the person could recover only \$5,000.00 from the account for his actual and direct loss.

The bond requirement of M.C.A. 37-51-304 was enacted by prior legislatures to protect the public. Proponents of SB 250 say the recovery account, like the bond, is a fund of last resort for the protection of the public. However, by reasons of these examples given, it is clear that if SB 250 is enacted as it is now written:

(1) A bond is not a fund of last resort like the account is;

(2) The public may not recover as much from the account as it can on the bonds; and

(3) The procedural hurdles and substantive restrictions in SB 250 make recovery from the account more difficult and restrictive than recovery on a bond.

The legislature will be taking protection away from the public if it enacts SB 250 as it is now written.

Submitted by Fritz Gillespie (Tel. No. 442-0230)
on behalf of Western Surety Company

given at least once each 6 months and at places within the state the board prescribes.

(2) (a) The examination for a salesman's license shall include:

(i) business ethics, writing, composition, arithmetic, elementary principles of land economics and appraisal;

(ii) a general knowledge of the statutes of this state relating to deeds, mortgages, contracts of sale, agency, brokerage, and of this chapter.

(b) If the applicant passes one subject portion of the examination, (2)(a)(i) or (2)(a)(ii), he shall not be required to repeat that portion of the examination if he passes the remaining portion within 12 months.

(3) The examination for a broker's license shall be of a more exacting nature and scope and more stringent than the examination for a salesman's license.

History: En. Sec. 7, Ch. 250, L. 1963; amd. Sec. 181, Ch. 350, L. 1974; R.C.M. 1947, 66-1930; amd. Sec. 1, Ch. 595, L. 1981.

Compiler's Comments

1981 Amendment: Deleted former subsection (4) requiring an applicant, following two failures, to wait 6 months before another reexamination.

Cross-References

Duty of Department to administer and grade examinations, 37-1-101.

37-51-304. Bond required for licensure of broker or salesman.

No license may be issued or renewed until the applicant for a broker's license or salesman's license has filed a bond with the department in the sum of \$10,000 executed by a surety company authorized to do business in this state in a form approved by the board and conditioned that the applicant, if and when licensed, shall conduct his business and himself in accordance with this chapter and shall pay, to the extent of \$10,000, judgments recovered against him for loss or damage to a person arising in the course of the applicant's practice as a real estate broker or salesman. Bonds given by licensees under this chapter, after approval, shall be filed and held in the office of the department. If, for any reason, the bond of a broker or salesman is canceled or voided, the license of the broker or salesman is automatically suspended until the broker or salesman is again fully bonded and the bond has been approved by the board. If the suspension is not terminated by rebonding and approval within 30 days from the date of suspension, the license of the broker or salesman is automatically revoked.

History: En. Sec. 10, Ch. 250, L. 1963; amd. Sec. 4, Ch. 261, L. 1969; amd. Sec. 184, Ch. 350, L. 1974; amd. Sec. 15, Ch. 101, L. 1977; R.C.M. 1947, 66-1933.

Cross-References

Suretyship, Title 33, ch. 26.

37-51-305. License — form — delivery — display — pocket card. (1) The board shall prescribe the form of license. A license shall bear the seal of the board.

(2) The license of a real estate salesman shall be delivered or mailed to the real estate broker with whom the real estate salesman is associated and shall be kept in the custody and control of the broker.

(3) A broker shall display his own license conspicuously in his place of business.

COMMITTEE

DATE March 21 , 1985

SPONSOR

[illegible]

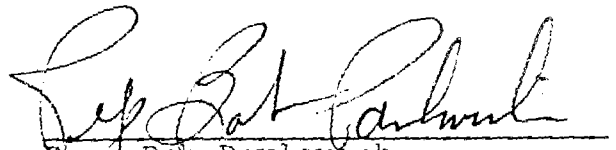
IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FOR

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Business and Labor
March 28, 1985
Page 4

ACTION ON SENATE BILL 250: Representative Brandewie moved DO PASS on Senate Bill 250. Representative Kadas added this will allow consumers the same protection as do bonds and this will make it easier on the consumer. He then moved and explained the amendment. Representative Brandewie added this is just intended to replace the bond which is a fund of the last resort. Representative Kadas' motion received a voice vote in favor of the amendment. Representative Kadas then moved to amend on page 4, following however, striking the remainder of subsection (3). A voice vote adopted the amendment. Senate Bill 250 will BE CONCURRED IN AS AMENDED with all but Representative Thomas voting yes.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 10:00 a.m.


Rep. Bob Pavlovich,
Chairman

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March 28, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormick	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

ROLL CALL VOTE

HOUSE COMMITTEE BUSINESS AND LABOR

DATE March 28, 1985 BILL NO. 250 TIME _____

NAME	AYE	NAY
Bob Pavlovich		✓
Les Kitzelman		
Bob Bachini	✓	
Ray Brandewie	✓	
Jan Brown		
Jerry Driscoll		✓
Robert Ellerd		✓
William Glaser	✓	
Stella Jean Hansen		✓
Marjorie Hart		✓
Ramona Howe		✓
Tom Jones	✓	
Mike Kadas	✓	
Vernon Keller	✓	
Lloyd McCormick		✓
Jerry Nisbet		✓
James Schultz	✓	
Bruce Simon		✓
Fred Thomas		✓
Norm Wallin	✓	

Secretary Debbie Aquil

Chairman Bob Pavlovich

Motion: 9-10 amend. by Brandewie

MINUTES OF THE MEETING
BUSINESS AND LABOR COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

March 29, 1985

The meeting of the Business and Labor Committee was called to order by Chairman Bob Pavlovich on March 29, 1985 at 8:00 a.m. in Room 312-2 of the State Capitol.

ROLL CALL: All members were present.

ACTION ON SENATE BILL 323: Representative Kitselman moved DO PASS on Senate Bill 323 and moved the amendments attached hereto as Exhibit 1 and 2. The amendments did pass by unanimous vote. Senate Bill 323 will BE CONCURRED IN AS AMENDED by unanimous vote.

ACTION ON SENATE BILL 250: Representative Brandewie moved to reconsider action on Senate Bill 250, a unanimous vote was received. Representative Brandewie stated the Board of Realty Regulation presently has over \$100,000 in their account for dues, etc. and wish to use this as their base. Representative Kadas did agree. Representative Brandewie moved to strip the Kadas amendment, which passed by unanimous vote. Senate Bill 250 will BE CONCURRED IN AS AMENDED by unanimous vote.

ACTION ON SENATE BILL 356: Representative Brown moved DO PASS on Senate Bill 356 and distributed a copy of the contract signed by Independent Record carriers which states they are independent contractors. Representative Driscoll stated the law doesn't say they are in the contract and kids are being taken out from underneath workers compensation laws. Representative Brown called on Gary Blewett, Administrator, Workers' Compensation Division, Department of Labor and Industry for clarification. Mr. Blewett explained that the division has not received any applications for new carriers for exclusions. If the newspapers are not required, the so called independent contracts must purchase workers comp. insurance or apply for an exemption. This is done on a case by case basis as all are managed differently. Representative Schultz asked Gary Blewett how many carriers have registered for workers comp. insurance, which was answered none. Representative Brown asked Mike Malloy the reason for requesting this bill. Mr. Malloy stated the bill does not change the law, carriers will remain the same, this relieves the division from the paperwork involved of filing forms. Representative Driscoll asked Gary Blewett

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March 29, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormick	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

STANDING COMMITTEE REPORT

March 29 1985

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration SENATE Bill No. 250

third reading copy (blue)
color

REAL ESTATE RECOVERY ACCOUNT FOR UNSATISFIED JUDGMENTS

Respectfully report as follows: That SENATE Bill No. 250

BE AMENDED AS FOLLOWS:

1. Page 4, line 18
Following: "fees."
Strike: the remainder of line 18 and lines 19, 20, 21, and
22 in their entirety

DO PASS
BE CONCURRED IN AS AMENDED